

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF FOX CREEK)	CASE NO. 96-532
RURAL ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1994 TO OCTOBER 31, 1996)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 14, 1996 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Fox Creek Rural Electric Cooperative Corporation ("Fox Creek") for the two years ended October 31, 1996.

As part of this review, the Commission ordered Fox Creek to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Fox Creek has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Fox Creek has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Fox Creek, has been authorized to transfer (roll-in) a 0.23 mills per Kwh decrease in its base fuel cost to its base rates.¹

3. Fox Creek should be authorized to transfer (roll-in) a 0.24 mills per Kwh decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.23 mills per Kwh decrease in EKPC's base rates. This transfer can best be accomplished by a negative energy adder to each Kwh sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Fox Creek through the FAC for the period November 1, 1994 to October 31, 1996 are approved.

2. Fox Creek is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Fox Creek on and after September 1, 1997.

4. Within 30 days of the date of this Order, Fox Creek shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996.

Done at Frankfort, Kentucky, this 20th day of August, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

E. J. [unclear]
Vice Chairman

B. G. Helton
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-532 DATED AUGUST 20, 1997

The following rates and charges are prescribed for the customers in the area served by Fox Creek Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE R RESIDENTIAL SERVICE

Rate:

Minimum Bill	First	30 KWH Per Month	\$5.39	Per Month
All Over		30 KWH Per Month	.05802	Per KWH

SCHEDULE C COMMERCIAL AND SMALL POWER

Rate:

Minimum Bill	First	30 KWH Per Month	\$5.39	Per Month
All Over		30 KWH Per Month	.06077	Per KWH

SCHEDULE L LARGE POWER SERVICE (50 TO 200 KW)

Rate:

First	50 KWH Per KW of Billing Demand	\$.06378	Per KWH
Next	100 KWH Per KW of Billing Demand	.05978	Per KWH
Over	150 KWH Per KW of Billing Demand	.04988	Per KWH

SCHEDULE A RURAL LIGHTING AND COMMUNITY STREET LIGHTING

Service for the above unit shall be unmetered and billed on the member's monthly bill for other electrical service furnished by the Cooperative at the rate of \$5.05 each and every month.

SCHEDULE R2
RESIDENTIAL MARKETING RATE

Rate:

All KWH \$.03481 Per KWH

SCHEDULE C1
LARGE INDUSTRIAL (1,000 TO 4,999 KW)

Energy Charge \$.02715 Per KWH

SCHEDULE C2
LARGE INDUSTRIAL (5,000 TO 9,999 KW)

Energy Charge \$.02215 Per KWH

SCHEDULE C3
LARGE INDUSTRIAL (OVER 10,000 KW)

Energy Charge \$.02115 Per KWH

SCHEDULE M
COMMERCIAL AND INDUSTRIAL POWER SERVICES

Energy Charge

First 425 KWH per KW of Billing Demand	\$.03854 Per KWH
Over 425 KWH per KW of Billing Demand	.03065 Per KWH

SCHEDULE N
INDUSTRIAL AND LARGE COMMERCIAL POWER SERVICES
(OVER 500 KW)

Energy Charge

First 425 KWH per KW of Billing Demand	\$.03454 Per KWH
Over 425 KWH per KW of Billing Demand	.02665 Per KWH